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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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MELINDA SERIN, JUDSON RUSS, LONG SOUI :
LIM, PERI KETTLER, GORDON REDNER, AND :
THOMAS J. SMITH, : 06 CV 1625 (SCR)
Plaintiffs, :
DEFENDANTS'
- against - : RESPONSES TO
NORTHERN LEASING SYSTEMS, INC., JAY : PLAINTIFFS' FIRST SET
COHEN, RICH HAHN, and SARA KRIEGER, : OF INTERROGATORIES
Defendants. : AND DOCUMENT
REQUESTS
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Defendants Northern Leasing System, Inc. ("NLS"), Jay Cohen, Rich Hahn and Sara Krieger, by their attorneys, Epstein Becker & Green, P.C., and pursuant to Rule 34 of the Federal Rules of Civil Procedure ("Federal Rules") and the Local Rules of the Southern District of New York ("Local Rules"), hereby submit their written objections and responses ("Responses") to Plaintiffs' First Set of Interrogatories (the "Interrogatories") and Document Requests (the "Requests").

Introductory Paragraphs

- a. In responding to Plaintiffs' Interrogatories and Requests, Defendants do not waive their rights to challenge the competency, relevance, materiality and/or admissibility of the

information and documentation provided or any documents requested, or to object to the use of the information, documentation and these responses at trial or in any related proceeding in this action.

b. The production of any document by Defendants in response to Plaintiffs' Interrogatories and Requests is not and shall not be deemed or construed as a waiver of any privilege, right, or objection on the part of any defendant with respect to any such document. In the event that a privileged document is inadvertently produced by defendants, such production is not and shall not be deemed or construed as a waiver of any privilege, right or objection, and defendants reserve the right to demand the return of any such document.

c. These Responses are accurate to the best of Defendants' knowledge. Defendants reserve the right to supplement their responses should any additional responsive documents be located.

d. Any statement in these Responses that "Defendants" will produce documents means that either one or more of the Defendants may provide responsive documents. Also, such a statement shall not be interpreted to mean that all Defendants have documents responsive to any particular Request.

e. Any statement that Defendants agree to produce documents responsive to any particular Interrogatory or Request shall not be interpreted to mean that such documents exist.

f. Subject to and without waiving any objections, Defendant NLS will produce only documents concerning plaintiffs Melinda Serin, Judson Russ, Long Soui Lim, Peri Kettler, Gordon Redner and Thomas J. Smith, if any such documents exist.

General Objections

1. Defendants object to Plaintiffs' Interrogatories and Requests to the extent that they require a response that exceeds the requirements of the Federal Rules and Local Civil Rules.

2. Defendants object to the Interrogatories and Requests to the extent they call for legal conclusions and to the extent that they seek documents or information that are protected from disclosure by the attorney-client privilege, the work-product doctrine or any other applicable privilege, including any privilege recognized by statute, common law or by the Federal Rules. Nothing contained in these Responses is intended in any way to be, or in any way shall be deemed, a waiver of any such applicable privilege or doctrine. In responding to each request and interrogatory, Defendants will not provide privileged or otherwise protected information.

3. Defendants object to the Interrogatories and Requests to the extent they seek information not related to lease agreements entered into between each of the Plaintiffs and Defendant NLS, respectively, on the grounds that such information is irrelevant, not reasonably calculated to lead to the discovery of admissible evidence, unduly burdensome, beyond the scope of the Federal Rules and Local Rules and is harassing.

4. Defendants object to the Interrogatories and Requests to the extent they seeks confidential personnel information of individuals other than the named Plaintiffs.

5. Defendants object to the Interrogatories and Requests to the extent they seek confidential and/or proprietary information of NLS.

6. Each General Objection is incorporated into every response below.

Specific Objections and Responses to Interrogatories

Interrogatory No. 1:

Fully set forth, in detail, Northern Leasing's policy, practices, and procedures concerning the investigation, review, analysis, report decision, and/or proposed course of actions in situations where the signature(s) of lessee(s)/guarantor(s) is alleged to have been forged on Northern Leasing's Equipment Finance Lease, including without limitation, the basis and criteria employed for determining the authenticity or genuineness of signatures.

Response to Interrogatory No. 1:

Defendants object to this Interrogatory on the grounds that it is overly broad, unduly burdensome, interposed to harass Defendants and not permitted by Rule 33.3 of the Local Rules. Without waiver of the foregoing objections or the General Objections, Defendants refers Plaintiffs to NLS's Customer Service Policy Guidelines and Procedures (NLS 00462-00512) and NLS's Sales Guide and Directory (NLS 00513-00532), which will be produced by Defendants in response to Plaintiffs' First Document Request.

Interrogatory No. 2:

With respect to each plaintiff, fully set forth, in detail:

a. the Basic Monthly Lease Payment; and the amounts actually collected, including without limitation, automatic electronic deductions from bank accounts;

b. The identities of vendor(s), salesman/salesmen, independent sales organizations, and/or third party representatives (by whatever name called) that was/were involved in obtaining such plaintiff's alleged signatures and/or submitting such signed Equipment Finance Lease forms to Northern Leasing.

c. Identify every individual who was involved in any manner with the plaintiffs' alleged Equipment Finance Leases and describe their specific activities/role in connection with each such Lease, including without limitation, every individual who investigated and/or reviewed and/or analyzed and/or reported and/or made a decision with respect to (a) the forgery allegations; and/or (b) commencing, conducting and/or threatening dunning letters and phone calls; and/or (c) commencing, conducting or threatening litigation. This includes, without limitation, (a) every individual who commenced, conducted and/or threatened dunning letters and/or phone calls and/or litigation to any plaintiff herein; and (b) every individual who was involved in any manner with the drafting execution, and/or approval of the General release annexed as "Ex. A" to the Verified Complaint.

Response to Interrogatory No. 2:

a. Defendants object to this Interrogatory on the grounds that it is not permitted by Local Rule 33.3. Without waiver of the foregoing or the General Objections, Defendants refer Plaintiffs to the Serin Lease File (NLS 00001-00078), the Russ Lease File (NLS 00079-00294), the Lim Lease File (NLS 00389-00424), the Kettler Lease File (NLS 00295-00364), the Redner Lease File (NLS 00365-00388) and the Smith Lease File (NLS 00425-00461), which will be produced in response to Plaintiffs' First Document Request.

b. Without waiver of the General Objections, Defendants refers Plaintiffs to Serin Lease File (NLS 00001-00078), the Russ Lease File (NLS 00079-00294), the Lim Lease File (NLS 00389-00424), the Kettler Lease File (NLS 00295-00364), the Redner Lease File (NLS 00365-00388) and the Smith Lease File (NLS 00425-00461), which will be produced in response to Plaintiffs' First Document Request, to the extent responsive documents may exist.

c. Defendants object to this Interrogatory on the grounds that it is overly broad, unduly burdensome, interposed to harass Defendants. Without waiver of the foregoing objections or the General Objections, to the extent such responsive documents exist, Defendants refer Plaintiffs to Serin Lease File (NLS 00001-00078), the Russ Lease File (00079-00294), the Lim Lease File (NLS 00389-00424), the Kettler Lease File (NLS 00295-00364), the Redner

Lease File (NLS 00365-00388), the Smith Lease File (NLS 00425-00461) and NLS's Customer Service Representative Master List (NLS 00533-0044), which will be produced in response to Plaintiffs' First Document Request.

Interrogatory No. 3:

Fully set forth, in detail, Northern Leasing's policy, practice or procedure for selection of the vendor(s), salesman/salesmen, independent sales organizations, and/or third party representatives (by whatever name called) for marketing or sale of Equipment Finance Leases, and/or approval or rejection of such individual Leases submitted to Northern Leasing. This includes, without limitation, the compensation or consideration paid by Northern Leasing to the vendor(s), salesman/salesmen, independent sales organizations, and/or third party representatives (by whatever name called) including without limitation the person(s) who obtained individual plaintiff's alleged signatures and/or submitted Leases containing such signatures to Northern Leasing.

Response to Interrogatory No. 3:

Defendants object to this Interrogatory on the grounds that it is overly broad, unduly burdensome, interposed to harass Defendant, is not permitted by Rule 33.3 of the Local Rules and it seeks personal and/or confidential information pertaining to parties and non-parties to the litigation. Without waiver of the foregoing objections or the General Objections, Defendants respond as follows:

Through NLS's vendor leasing program, NLS provides a financing source for a variety of equipment manufacturers, distributors, and vendors, as well as for Independent Sales Organizations ("ISOs") heavily utilized in the credit card processing industry (all collectively referred to as "vendors"). Vendors vary widely in terms of their makeup and size as well as their method of operations. Some vendors are business entities with 50 or more employees situated in a main office and maintain a regional or national sales force. Other vendors are much smaller entities operating locally. Some vendors initiate and consummate their transactions by meeting

face-to-face with merchants while other vendors conduct all transactions through phone, mail, and courier services. Some vendors maintain their own inventory of equipment; others will procure the equipment from a merchant supplier. A vendor seeking to secure NLS as a funding source, subject to a few exceptions, must first apply to NLS by completing a vendor profile and Program Agreement or Vendor Agreement. The applying vendor must supply NLS with the business and principal information, including the principal's social security number, business references, and authorization for NLS to obtain the principal's personal credit report.

Prior to approving the vendor, NLS will review the vendor profile and obtain a credit bureau report of the principal of the applying vendor entity. The credit report is reviewed to ascertain if other balances or delinquencies are reported by other lease financing companies. In addition, the credit report may reveal a series of delinquencies or outstanding liens or judgments, alerting NLS to a potentially risky business relationship. NLS's Risk Management Department is consulted on a case by case basis, for any questions arising in the course of reviewing the particular vendor application. Business references may be contacted as well for further inquiry on a case-by case basis as needed. Further, NLS's Risk Management Department participates in an informal confidential exchange of information among lease financing companies to share information and alert each other of vendors who have been accused of utilizing unscrupulous business practices. Such a vendor will not be approved to do business with NLS. Upon approval, the vendor is provided with a unique Vendor Code and is assigned to a dedicated Account Manager at NLS who will be the vendor's direct contact with NLS throughout the lease funding process.

To the extent they are responsive to this Request, Defendants also refer Plaintiffs to NLS's Customer Service Policy Guidelines and Procedures (NLS 00462-00512) and NLS's

Sales Guide and Directory (NLS 00513-00532), which will be produced by Defendants in response to Plaintiffs' First Document Request.

Interrogatory No. 4:

With respect to complaints of forgery, fraud misrepresentation, or other misconduct against the vendors(s), salesman/salesmen, independent sales organizations, and/or third party representatives (by whatever name called), fully set forth, in detail,

- a. Northern Leasing's policy, practices, and procedures concerning the investigation, review, analysis, report and/or decision concerning such complaints; and
- b. all claims or counterclaims asserted by Northern Leasing, material developments in the legal proceedings and conclusion or current status thereof.

Response to Interrogatory No. 4:

Defendants object to this Interrogatory on the grounds that it is overly broad, unduly burdensome, interposed to harass Defendants, is not permitted by Rule 33.3 of the Local Rules, seeks irrelevant information and is not reasonably calculated to lead to the discovery of admissible evidence. Without waiver of the foregoing objections or the General Objections, Defendants refer Plaintiffs to Northern Leasing Systems, Inc.'s Customer Service Policy Guidelines and Procedures (NLS 00462-00512) and Northern Leasing Systems Sales Guide and Directory (NLS 00513-00532), which will be produced by Defendants in response to Plaintiffs' First Document Request.

Interrogatory No. 5:

Identify all communication received from law enforcement authorities concerning Northern Leasing's Equipment Finance Leases at issue, including without limitation, a list of all investigations or other legal proceedings commenced by any federal, state, or local authorities.

Response to Interrogatory No. 5:

Defendant objects to this Interrogatory on the grounds that it is overly broad, unduly burdensome, interposed to harass Defendant, is not permitted by Rule 33.3 of the Local Rules and seeks irrelevant information and is not reasonably calculated to lead to the discovery of admissible evidence. Without waiver of the foregoing objections or the General Objections, Defendants are unaware of the existence of documents responsive to this Request.

Interrogatory No. 6:

Fully set forth, in detail, Northern Leasing's policy, practices, and procedures concerning the reporting of allegedly unpaid amounts to credit reporting agencies, including without limitation documents concerning removal of erroneous reports.

Response to Interrogatory No. 6:

Defendants object to this Interrogatory on the grounds that it is overly broad, unduly burdensome, interposed to harass Defendants, is not permitted by Rule 33.3 of the Local Rules and it seeks personal and/or confidential information pertaining to parties and non-parties to the litigation. Without waiver of the foregoing objections or the General Objections, Defendants respond as follows:

Unpaid amounts are automatically reported to credit reporting agencies via NLS' computer system. Regarding erroneous reports, if a lessee disputes a credit report directly to a

credit bureau, NLS will conduct an investigation by a review of the relevant lease files. If a lessee disputes a erroneous report directly to NLS, on a case-by-case basis, NLS will notify the credit reporting agency.

To the extent it is responsive to this Request, Defendants refer Plaintiffs to NLS's Customer Service Policy Guidelines and Procedures (NLS 00462-00512), which will be produced by Defendants in response to Plaintiffs' First Document Request.

Specific Objections and Responses to Document Requests

Request No. 1:

All documents sought by defendants in "Defendants' First Request for Documents and First Set of Interrogatories to All Plaintiffs."

Response to Request No. 1:

Defendants object to this request on the grounds that it is unduly burdensome. Defendants will make copies of documents produced by Plaintiffs available to Plaintiffs upon request.

Request No. 2:

All documents concerning each of the Interrogatories aforesaid, including without limitation documents which you have referred to or relied upon, which concern your responses to the above Interrogatories, categorized in accordance with the Interrogatories.

Response to Request No. 2:

Defendants object to this request on the grounds that it is duplicative, overly broad, unduly burdensome and seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the foregoing and their General Objections, see the documents produced by Defendants and identified in response to the Interrogatories.

Request No. 3:

All documents concerning each plaintiff herein, including without limitation letters, faxes, electronic notes, memos, minutes of meetings, discussion notes, notes, forensic analysis, dunning letters, notes of phone calls, and all other documents.

Response to Request No. 3:

Defendants object to this request on the grounds that it is unduly burdensome and overly broad in time and scope. Subject to the General Objections, Defendants will produce the Serin Lease File (NLS 00001-00078), the Russ Lease File (NLS 00079-00294), the Lim Lease File (NLS 00389-00424), the Kettler Lease File (NLS 00295-00364), the Redner Lease File (NLS 00365-00388) and the Smith Lease File (00425-00461).

Request No. 4:

All documents concerning each of the defendants' the vendor(s), salesman/salesmen, independent sales organizations, and/or third party representatives (by whatever name called) who allegedly submitted the Equipment Finance Leases concerning each plaintiff herein to defendants.

Response to Request No. 4:

Defendants object to this request on the grounds that it is unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the foregoing and General Objections, Defendants will produce all relevant documents in the Lease Files, referred to in Response to Request No. 3.

Request No. 5:

All documents concerning the genuineness or otherwise of each plaintiff's signature in the respective Equipment Finance Leases.

Response to Request No. 5:

Subject to the General Objections, defendants will produce the Serin Lease File (NLS 00001-00078), the Russ Lease File (00079-00294), the Lim Lease File (NLS 00389-00424), the Kettler Lease File (NLS 00295-00364), the Redner Lease File (NLS 00365-00388) and the Smith Lease File (00425-00461).

Request No. 6:

All documents concerning Northern Leasing's dunning practices and procedures, including without limitation, training manuals, instruction manuals, "do not say" lists, talking scripts, memos, discussion notes, and all other documents.

Response to Request No. 6:

Defendants object to this request on the grounds that it is unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the foregoing and General Objections, NLS's Customer Service Policy Guidelines and Procedures (NLS 00462-00512) and NLS's Sales Guide and Directory (NLS 00513-00532).

Request No. 7:

All documents concerning the procedures undertaken and/or the criteria employed by Northern Leasing in and/order to verify the signature and/or consent of lessees and/or guarantors under leasing and financing contracts. Including without limitation, training manuals, instruction manuals, "do not say" lists, talking scripts, memos, discussion notes, and all other documents.

Response to Request No. 7:

Defendants object to this Request on the grounds that it is duplicative, overly broad, seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the foregoing and their General Objections, Defendants refer plaintiffs to Response to Request No. 5.

Request No. 8:

All documents concerning follow up calls, if any, to lessees and/or guarantors under leasing and/or financing contracts, including without limitation, training manuals, instruction manuals, "do not say" lists, talking scripts, memos, discussion notes, and all other documents.

Response to Request No. 8:

Defendants object to this Request on the grounds that it is duplicative, overly broad, seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the General Objections, Defendants refer Plaintiffs to Response to Request No. 3.

Request No. 9:

All documents concerning plaintiffs' accounts, leases, and/or other transactions with Northern Leasing, including without limitation, amounts paid by Northern Leasing to any vendor(s), salesman/salesmen, independent sales organizations, and/or third party representatives (by whatever name called) and amounts collected from plaintiffs through electronic deductions.

Response to Request No. 9:

Defendants object to this request on the grounds that it is unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the General Objections, defendants will produce the Serin Lease File (NLS 00001-00078), the Russ Lease File (00079-00294), the Lim Lease File (NLS 00389-00424), the Kettler Lease File (NLS 00295-00364), the Redner Lease File (NLS 00365-00388) and the Smith Lease File (00425-00461).

Request No. 10:

Original of Equipment Lease Contracts concerning each plaintiff.

Response to Request No. 10:

Defendants will make available documents responsive to this Request at a time mutually convenient for the parties' counsel.

Request No. 11:

Correspondence, memos, notes, drafts, discussion papers, communication between defendants or any of them and the vendor(s), salesman/salesmen, independent sales organizations, and/or third party representatives (by whatever name called) concerning the plaintiffs or leases at issue herein, including without limitation, documents concerning completion, drafting, preparation, and execution of documents.

Response to Request No. 11:

Defendants object to this request on the grounds that it is unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the foregoing and the General Objections, defendants will produce documents responsive to this Request in the Serin Lease File (NLS 00001-00078), the Russ Lease File (NLS 00079-00294), the Lim Lease File (NLS 00389-00424), the Kettler Lease File (NLS 00295-00364), the Redner Lease File (NLS 00365-00388) and the Smith Lease File (00425-00461), to the extent that such documents exist.

Request No. 12:

Documents regarding the compensation paid by Northern Leasing to the vendor(s), salesman/salesmen, independent sales organizations, and/or third party representatives (by whatever name called), and to the individual defendants.

Response to Request No. 12:

Defendants object to this request on the grounds that it is unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information, and is not reasonably calculated to lead to discovery of admissible evidence, and seeks personal and/or confidential information pertaining to non-parties to the litigation.

Request No. 13:

Complaint files, letters, notes, memos, minutes from meetings, telephone notes, and other documents received by Northern Leasing from lessees and/or guarantors concerning fraudulent misrepresentations, forgeries, or other misconduct, in connection with any Equipment

Finance Lease, by the vendor(s), salesman/salesmen, independent sales organizations, and/or third party representatives (by whatever name called).

Response to Request No. 13:

Defendants object to this request on the grounds that it is unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the foregoing and General Objections, Defendants will produce relevant documents responsive to this request, as it pertains to the Plaintiffs in the tendered Lease Files.

Request No. 14:

Communication with Better Business Bureaus, federal, state, and/or local authorities, concerning equipment finance leases.

Response to Request No. 14:

Defendants object to this request on the grounds that it is unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the foregoing and General Objections , see NLS 00351-00353.

Request No. 15:

Correspondence, memos, instructions, scripts, notes of meetings, drafts, discussion papers and/or other documents concerning representations made and/or to be made concerning equipment finance leases, whether through independent sales organizations, salesmen, customer specialists, and/or other representatives to each of the plaintiffs.

Response to Request No. 15:

Defendants object to this Request on the grounds that it is duplicative, unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the foregoing and the General Objections, Defendants refer Plaintiffs to Response to Request No. 3.

Request No. 16:

Job descriptions, personnel records, complaints, performance reviews, employment files, compensation paid, and all documents concerning each individual identified in response to Interrogatory No. 2 above.

Response to Request No. 16:

Defendants object to this request on the grounds that it is unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information, and not reasonably calculated to lead to discovery of admissible evidence, and seeks personal and/or confidential information pertaining to parties and non-parties to the litigation.

Request No. 17:

Federal and state tax returns of each defendant from the tax year 1998 to the present, including without limitation, each individual defendant's W-2 forms and any other documents reflecting any other source of income from January 1, 1998 to present.

Response to Request No. 17:

Defendants object to this request on the grounds that it is unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information, is not reasonably calculated to lead to discovery of admissible evidence, and seeks personal and/or confidential information.

Request No. 18:

Documents relevant to any claim and/or defense herein.

Response to Request No. 18:

Defendants object to this request on the grounds that it is unduly burdensome, harassing, overly broad in time and scope, seeks irrelevant information and is not reasonably calculated to lead to discovery of admissible evidence. Subject to the foregoing and General Objections, Defendants will produce the Serin Lease File (NLS 00001-00078), the Russ Lease

File (NLS 00079-00294), the Lim Lease File (NLS 00389-00424), the Kettler Lease File (NLS 00295-00364), the Redner Lease File (NLS 00365-00388) and the Smith Lease File (NLS 00425-00461), NLS's Customer Service Policy Guidelines and Procedures (NLS 00462-00512) and NLS's Sales Guide and Directory (NLS 00513-00532).

Request No. 19:

Documents which the defendant rely upon, and/or intend to rely upon, in this proceeding.

Response to Request No. 19:

Defendants object to this request pursuant to their General Objections and on the grounds that it is premature and beyond the scope of the Federal Rules and Local Rules.

New York, New York
September 7, 2006

SIGNED AS TO OBJECTIONS:

EPSTEIN BECKER & GREEN, P.C.

By:

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VERIFICATION

STATE OF NEW YORK)
)
) ss.:
COUNTY OF NEW YORK)

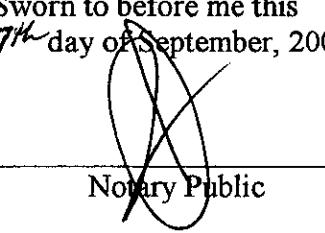
Sara Krieger, being duly sworn, deposes and says:

I am Vice President of Operations of Northern Leasing Systems, Inc. and a named defendant herein. I have read the foregoing Defendant's Response to Plaintiffs' First Set of Interrogatories and Document Requests and attest that said responses are true and correct to the best of my knowledge, information and belief, based upon information known personally by me and that has been furnished to me by other persons.



SARA KRIEGER

Sworn to before me this
7th day of September, 2006



Notary Public

JOSEPH I. SUSSMAN
Notary Public, State of New York
No. 02SU6112896
Qualified in New York County
Commission Expires July 12, 2008